



Vattenfall's recommendations for the post-2030 renewable energy framework

Policy paper

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Europe has made significant progress in scaling renewable energy over the past decade. From Vattenfall's perspective, the challenge for the decade ahead is less about setting new objectives and more about ensuring delivery at the required pace. Existing EU climate and energy ambition provides a clear direction, but continued delays in deployment, infrastructure build-out and electrification risk undermining both investment certainty and system efficiency.

The post-2030 renewable energy framework should therefore focus on translating agreed ambition into timely and effective implementation across Member States. Against this background we recommend for a post-2030 energy framework:

- 1. A regulatory freeze of the EU Renewable Energy Directive**
- 2. Governance regulation as the primary adjustment and steering tool**
- 3. Reducing fossil fuel dependence by means of an EU Electrification Regulation**

1. A regulatory freeze of the EU Renewable Energy Directive

The most immediate risk to delivery is the growing implementation gap. Significant changes to the Renewable Energy Directive have recently been agreed, yet implementation remains uneven and, in some cases, incomplete across Member States. At the same time, attention is already shifting towards adding further elements or revisiting parts of the framework, contributing to a continuously changing regulatory environment and weakening investment certainty.

Vattenfall cautions against reopening or structurally recasting the Directive at this stage, including under the Commission's regulatory "deep clean" agenda, as this risks diverting attention from delivery at a critical moment for investment and deployment.

While not all rules are perfect, stabilising the framework and ensuring consistent implementation is clearly preferable to another round of fundamental change. Rather, priority should be given to pragmatic implementation and enforcement of existing provisions, supported by clear guidance and workable secondary rules.

Stabilising the framework is preferable to renewed structural change, particularly given that Member States and stakeholders have already invested significantly in understanding and operationalising the current rules. A well implemented Renewable Energy Directive will serve as a strong foundation for fossil free investments for the decade ahead. This approach does not imply weaker climate or renewables ambition. On the contrary, it reflects the view that existing EU climate and energy objectives are sufficiently ambitious and that the overriding challenge lies in delivery, system integration and demand-side uptake.

2. Governance regulation as the primary adjustment and steering tool

The Governance Regulation provides the appropriate framework to steer overall ambition, track progress and improve transparency on delivery across Member States. Governance means early intervention not passive monitoring - greater emphasis should be placed on its role in monitoring implementation, establishing key performance indicators and identifying persistent gaps. It can also be the place to require more certainty in national energy and climate plans on auction volumes as well as national budget available for scaling fossil free energy. Making NECPS an investment plan, not just a reporting exercise. In this way, the Governance Regulation can act as the primary adjustment and steering tool post-2030, allowing performance gaps to be addressed without reopening core market and renewables legislations.

Furthermore, grid infrastructure, system integration and flexibility are most effectively addressed through electricity market legislation and the already taken grid initiatives. A clear allocation of roles between policy instruments helps avoid duplication, preserves regulatory clarity and supports faster delivery in practice.

3. Reducing fossil fuel dependence by means of an EU Electrification Regulation

For the post-2030 framework, it is essential that fossil-free electricity supply and demand develop broadly in parallel. If this balance is not maintained, the market signals needed to support sustained investment in new generation weaken. Faster uptake of electrification across industry, buildings and transport is therefore critical to underpin the investment case for fossil-free electricity and to limit overall system costs. Policy frameworks should focus on enabling this balance, ensuring that increasing fossil-free deployment is matched by electrification and system flexibility, so that Europe can reduce its dependence on fossil fuels and move towards a more competitive and resilient economic position.

In Vattenfall's experience, the supply-side framework is largely in place. The Renewable Energy Directive, together with electricity market legislation, State aid rules and permitting frameworks, provides a solid and sufficiently robust basis to scale renewable generation well into the next decade. Ensuring consistent and timely implementation of this existing framework will already go a long way in delivering agreed EU climate and energy objectives.

However, a more structural gap remains on the demand side. While existing legislation addresses supply deployment effectively, it does not yet create a sufficiently strong and predictable pull for electrification across end-use sectors. Electrification remains constrained by fragmented incentives as well as persistent price signals favoring fossil fuels.

Against this background, Vattenfall sees merit in an EU Electrification Regulation as a targeted complement to existing legislation. Its purpose should not be to duplicate or reopen the Renewable Energy Directive, but to improve coherence across the framework and address demand-side gaps that current instruments do not fully resolve. By strengthening demand-side electrification incentives – including uptake beyond existing quotas, clear phase-out trajectories for fossil fuel use, guidance for industrial support schemes and measures to narrow the electricity-to-fossil price gap – an EU Electrification Regulation can become a central delivery instrument for Europe’s post-2030 energy framework. Key insights from the upcoming Electrification Action Plan could be translated into legislation and effectively transposed.

Experience has shown that implementation is one of the biggest obstacles to delivery. Persistent implementation gaps under RED underline the importance of avoiding fragmented transposition and uneven application across Member States. A regulation is therefore preferable to a directive.

Stabilising the Renewable Energy Directive is about protecting investment certainty, while an EU Electrification Regulation would be the missing tool. Turning strategic intent on electrification into concrete, uniform action that accelerates the Union’s independence from fossil fuels.

Vattenfall is a European energy company with approximately 21,000 employees. For more than 100 years we have electrified industries, supplied energy to people’s homes and modernised our way of living through innovation and cooperation. We are committed to building a future where everyone can choose fossil-free ways to move, make and live. Everything we do and the decisions we take shall lead to this goal. This is the basis of Vattenfall’s strategy, and we advocate for a regulatory environment that makes this transition possible in the energy sector and beyond in transport, industry etc.